

Perspectives

FOR RETIRED
MEMBERS
OF THE
NORTH DAKOTA
PUBLIC
EMPLOYEES
RETIREMENT
SYSTEM

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Board Members:

Jon Strinden

Chairman

Thomas Trenbeath

Attorney General Appointee

Arvy Smith

State Health Officer Designee

Members Elected:

Mike Sandal, Joan Ehrhardt,
Ron Leingang, Levi Erdmann
Sparb Collins

Executive Director

Kathy M. Allen

Editor

PERS Board Election

The term of North Dakota Public Employees Retirement System (NDPERS) Board member Ron Leingang expires on June 30, 2009. NDPERS is required to give notification of the vacancy and the election process to all active employees. The Board acts as the administering body to manage the Public Employees Retirement System, Judges Retirement System, Highway Patrol Retirement System, North Dakota National Guard System, Law Enforcement Retirement System the Uniform Group Insurance Program, Section 457 Deferred Compensation Plan, Prefunded Retiree Health Program, and the Section 125 FlexComp Program for public employees. In addition, three of the elected members

are selected by the board to serve on the State Investment Board.

The Board consists of seven members. The chairman is appointed by the governor. Three members are elected by the active membership, one member is elected by the retired membership, there is an attorney general appointee, and one member is the state health officer. The board meets once a month in Bismarck with the meetings generally lasting four to five hours. Board members are paid \$62.50 per meeting.

Any retired member who has accepted a retirement allowance or who is eligible to receive deferred vested retirement benefits,

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Are Current Market Conditions Causing You Concern?

Everyone is seeing the effects on their investments as a result of the current volatility in the market. If this makes you uneasy, you are not alone. But by using the common investing principles and developing and sustaining an action plan, you can insulate your portfolio during those volatile market conditions.

Following are two general rationalizations to consider:

- In volatile markets, it's common to feel uneasy about your investments. It's only natural. But rest assured, market volatility is completely normal and is to be expected. In fact, whether you invest in a lifecycle fund, manage your own investments, or choose to have them managed by a professional investment manager, the current market conditions may actually work to your advantage.

- Market fluctuations are nothing to fear: In fact, they're normal. By basing your investment decisions on good information, you can stay with the retirement savings goals and strategy you've set, without worrying about short-term declines.

Further detail and insights on the above rationales are contained in two publications available on the NDPERS web site:

- Principles of Investing in A Volatile Market
- Preparing Your Portfolio for Moves in the Market

**You may access our web site at
www.nd.gov/ndpers and click on:
**Principles of Investing
In a Volatile Market****

Summary of Primary Legislative Proposals

The following summarizes the bills submitted to date for the 2009 legislative session.

For more information or to review copies of the bills, please refer to our web site at www.nd.gov/ndpers and select NDPERS News from the menu.

LC Bill #111; PERS & Highway Patrol; Sponsored by PERS

Description: Relates to: payment of employee contributions and retirement benefits under the Highway Patrol and Public Employees Retirement systems; membership of the State Investment Board; member benefit options, member refunds, IRC compliance and board elections under the Highway Patrol and PERS systems, and participation and employer payments under the uniform group insurance program.

Committee Recommendation:
Favorable

LC Bill #112; PERS & Highway Patrol; Sponsored by PERS

Description: Relates to: employer contributions and 13th check and 2% cost-of-living adjustment.

Committee Recommendation:
No recommendation

LC Bill #113; Uniform Group Insurance Program; Sponsored by PERS

Description: Relates to pre-Medicare retiree insurance rates (reduces the ratio of pre-Medicare rates to active rates from 150% to 130% for two years).

Committee Recommendation:
Favorable

LC Bill #114; PERS & Highway Patrol; Sponsored by PERS

Description: Increase the retiree health credit from \$4.50 to \$5.00 effective August 1, 2009.

Committee Recommendation:
Favorable

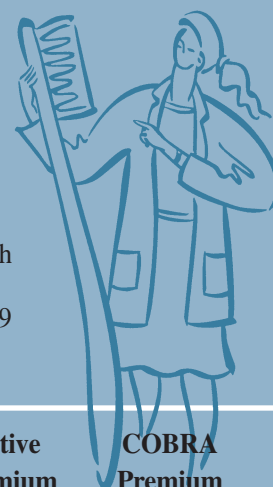
2009 Medicare Premiums, Deductibles and Coinsurance

The Centers for Medicare & Medicaid Services (CMS) recently announced the changes to the Medicare Part A and Part B premiums, deductibles and coinsurance paid by beneficiaries that become effective on January 1, 2009. There will be no increase in the standard monthly Part B premium or deductible, the first time since 2000 that those amounts will remain unchanged from one year to the next. The Part A numbers, however, will increase by 4.3 percent. The table below summarizes the Part B and Part A numbers and also includes the base Part D beneficiary premium announced in August, which will increase less than 1 percent.

Cost-Sharing Requirement	2008	2009
Standard Monthly Part B Premium	\$96.40	\$96.40
Medicare Part B Deductible	\$135.00	\$135.00
Base Part D Beneficiary Premium	\$27.93	\$28.00
First-Day Part A Hospital Deductible	\$1,024.00	\$1,068.00
Daily Part A Coinsurance for the 61st through 90th Day of a Hospital Stay	\$256.00	\$267.00
Daily Part A Coinsurance for Hospital Stays Longer than 90 Days	\$512.00	\$534.00
Daily Part A Coinsurance for the 21st through 100th day in a Skilled Nursing Facility	\$128.00	\$133.50

CIGNA Dental Plan Rate Increase

At its June meeting, the NDPERS Board approved the renewal of the group dental contract with CIGNA. The proposal is for a 9% across the board increase over the current premium rates. This increase is the result of high utilization of services and the effects of inflation. The following monthly premiums will apply January 1, 2009 through December 31, 2009:



Level of Coverage	Active Premium	COBRA Premium
Individual	\$35.10	\$35.80
Individual & Spouse	\$67.76	\$69.12
Individual & Child(ren)	\$78.64	\$80.21
Family (employee, spouse, child(ren))	\$111.30	\$113.53

Important Notice About Your Prescription Drug Coverage and Medicare

***PLEASE READ THIS Information CAREFULLY
before making a decision about your
prescription drug and medical coverage.***

This notice may or may not apply to you. However we are providing it in order to inform you about the Medicare Prescription Drug, Improvement Modernization Act of 2003 and how it may affect you or any other family member who is covered under the plan and who may be eligible for Medicare Part D coverage. You should retain this notice for your records.

Effective January 1, 2006, new Medicare prescription drug coverage was made available to everyone with Medicare. Referred to as Medicare Part D, this coverage is in addition to Medicare Parts A and B medical coverage. Because of this change in Federal law, you have new choices for getting prescription drug coverage. All Medicare prescription drug plans must provide at least a standard level of coverage set by Medicare.

The NDPERS Dakota Retiree plan available through the North Dakota Public Employees Retirement System (NDPERS) provides both medical and prescription drug coverage to eligible members entitled to Medicare. With the change in Federal law, the NDPERS Board of Directors elected to implement a private Prescription Drug Program (PDP) on behalf of its Medicare eligible members. However, Medicare prescription drug coverage will also be available through private companies. As you think about whether you want to enroll with one of these prescription plans, a Medicare Advantage plan (which is a company such as an HMO that contracts with the federal government to provide your Medicare benefits) or a Medigap policy, there are certain things you need to consider.

- Because it has been determined that the PDP provided by NDPERS is on average at least as good as the standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare coverage.
- The NDPERS plan also provides medical coverage in addition to prescription drugs. If you choose to enroll in another Medicare prescription drug plan, a Medicare Advantage plan or a Medigap policy, you will not be eligible to enroll in or retain your medical and prescription drug coverage in the Dakota Retiree Plan. Your coverage with NDPERS will be cancelled. Be aware that you may not have an opportunity to get the NDPERS coverage back.
- You are required to be enrolled in Medicare Parts A & B in order to be eligible to enroll in the Dakota Retiree plan. If you drop your Medicare A & B coverage to enroll in a Medicare Part C plan, you will no longer meet the NDPERS requirements and your retiree medical and prescription drug coverage will be cancelled.

Before making your decision, please examine all your options to be sure you understand the plan coverages.

If you drop your NDPERS coverage, you will only be able to re-enroll if you apply for coverage within 31 days from any one of the following “qualifying events”:

1. Date of retirement, defined as either:
 - The last day of active employment if member does not defer his/her retirement benefit or take a lump-sum refund of his/her retirement account, or
 - Date of first retirement check if member deferred his/her retirement benefit.

2. Member’s 65th birthday or eligibility for Medicare;
3. Member’s spouse or eligible dependent’s 65th birthday or eligibility for Medicare;
4. The loss of coverage in a health plan sponsored or provided by member’s employer or member’s spouse’s employer, if covered through spouse’s employer group plan. This includes loss of coverage due to the death of, or divorce from a spouse as well as completion of COBRA continuation coverage.
5. Marriage
6. Birth, adoption, or appointment of children for legal guardianship.

For individuals with limited income and resources, assistance is available to help pay for a Medicare prescription drug plan. Information about this assistance is available from the Social Security Administration (SSA). For more information, visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

More detailed information about Medicare plans that offer prescription drug coverage is available from the following resources:

- Visit www.medicare.gov for personalized help,
- Call Senior Health Insurance Counseling (SHIC), a program of the North Dakota Insurance Department, at 1-800-247-0560, or
- Call 1-800-MEDICAR (1-800-663-4227). TTY users should call 1-877-486-2048.

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage, you may need to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

2009 Mailing Schedule

NDPERS mails your retirement benefit check the first working day of each month. Check mail dates for 2009 are:

January 2nd	July 1st
February 2nd	August 3rd
March 2nd	September 1st
April 1st	October 1st
May 1st	November 2nd
June 1st	December 1st

If you do not receive your annuity check by the 10th of the month, please report the missing check to the NDPERS Retirement Accountant by calling 701-328-3900 or 1-800-803-7377 if outside the Bismarck-Mandan calling area. A "stop payment" order will be placed on the check and a new one will be issued after the 10th.

To avoid delays or lost checks, we encourage you to sign up for direct deposit. This is a safe and secure option that ensures your check is deposited electronically to your bank account each month. The form for application of this service is available from our web site at www.nd.gov/ndpers under "Forms & Publications" for the Defined Benefit Hybrid Plan. If you do not have internet access, please contact our office at the phone numbers referenced above.

The articles and opinions in this publication are for general information only and are not intended to provide specific advice or recommendations for any individual. We suggest that you consult your attorney, accountant, financial or tax advisor with regard to your individual situation. This newsletter is available in alternate formats upon request. Printed on recycled paper.

Cover article continued...

may become a candidate for the retiree member to the board.

An eligible individual must obtain the signatures of 25 members receiving a retirement allowance, or who are eligible to receive a deferred vested retirement allowance, to be nominated as a candidate for the vacancy. Nomination petitions are available from the NDPERS office at 400 East Broadway, Suite 505, Bismarck, ND. You may request this information in writing, by phone or through our e-mail address at ndpers-info@nd.gov. The deadline to submit petitions is 4:00 p.m., Friday, May 1, 2009. Election ballots will be mailed to active members May 26, 2009 and must be returned no later than the close of business on Friday, June 12, 2009. Election returns will be tabulated on Monday, June 15, 2009.

If you have any questions about the election, please call the NDPERS office at 701-328-3918 or toll free at 1-800-803-7377 if you are outside the Bismarck-Mandan calling area.

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North Dakota Public Employees Retirement System



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